

## **2011 DRAFTING REQUEST**

### **Bill**

Received: **12/05/2011**

Received By: **mgallagh**

Wanted: **As time permits**

Companion to LRB:

For: **Roger Rivard (608) 266-2519**

By/Representing: **DJ**

May Contact:

Drafter: **mgallagh**

Subject: **Occupational Reg. - prof lic**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Rivard@legis.wi.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**

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### **Pre Topic:**

No specific pre topic given

---

### **Topic:**

Training requirements for real estate broker license

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### **Instructions:**

See attached

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### **Drafting History:**

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 12/07/2011	mduchek 12/08/2011					
/P1	mgallagh 02/01/2012	mduchek 02/01/2012	rschluet 12/08/2011		lparisi 12/08/2011		
/1	mgallagh 02/08/2012	mduchek 02/08/2012	phenry 02/01/2012		sbasford 02/01/2012	ggodwin 02/01/2012	
/2			rschluet 02/08/2012		sbasford 02/08/2012	lparisi 02/08/2012	

Vers.      Drafted      Reviewed      Typed      Proofed      Submitted      Jacketed      Required

FE Sent For:

*None*

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/P1	mgallagh 02/01/2012	mduchek 02/01/2012	rschluet 12/08/2011	_____	lparisi 12/08/2011		
/1			phenry 02/01/2012	_____	sbasford 02/01/2012	ggodwin 02/01/2012	

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**Topic:**

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**Instructions:**

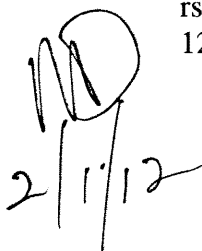
See attached

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/?	mgallagh 12/07/2011	mduchek 12/08/2011		_____			
/P1			rschluet 12/08/2011	_____	lparisi 12/08/2011		

FE Sent For:

 2/1/12  
2/1/12  
ph  
<END>

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/?	mgallagh	 12/8/11	 12/8/11	_____ _____			
FE Sent For:		171		<END>			

**Gallagher, Michael**

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**From:** Lundgren, Doug  
**Sent:** Monday, December 05, 2011 1:31 PM  
**To:** Gallagher, Michael  
**Subject:** FW: Broker Experience Memo  
**Attachments:** Memo\_09.07.2011.docx

Hi Mike,

Thanks for the call. Let me know if you have any questions. I'm not sure how complicated this is in terms of statute language but we'd like to get a move on this as soon as possible.

Take care,  
deej

**DJ Lundgren**

*Office of Representative Roger Rivard*  
75<sup>th</sup> State Assembly District  
Phone: 608.266.2519  
Fax: 608.282.3675  
E-mail: dlundgre@legis.wi.gov

---

**From:** Murray, Joe - Director of Political and Governmental Affairs [mailto:jmurray@wra.org]  
**Sent:** Wednesday, September 21, 2011 9:32 AM  
**To:** Lundgren, Doug  
**Subject:** FW: Broker Experience Memo

Hi Doug,

Here is a memo regarding the broker issue we would like to talk to Roger about. I thought I would give you a chance to let Roger look at this before we talk.

Thanks,

Joe

---

**From:** Cori M. Lamont  
**Sent:** Thursday, September 08, 2011 3:25 PM  
**To:** Theo, Mike - VP Public Affairs/Legal; Larson, Tom; Murray, Joe - Director of Political and Governmental Affairs  
**Cc:** Malkasian, Bill - President  
**Subject:** Broker Experience Memo

Attached you will find the final version of the memo for the broker license modifications.

12/5/2011

Let me know if you have any concerns or comments.

<<Memo\_09.07.2011.docx>>

Cori M. Lamont  
Director of Brokerage Regulation and Licensing

Wisconsin REALTORS® Association  
4801 Forest Run Road Madison, WI 53704  
tel: 608-241-2047 | fax: 608-241-5168 | web: [www.wra.org](http://www.wra.org)

=====

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## **MODIFICATION TO WISCONSIN REAL ESTATE BROKER LICENSE REQUIREMENTS**

### **OBJECTIVE**

Require 2 years of documented real estate experience as a real estate salesperson within the last 4 years preceding application as a Wisconsin real estate broker.

### **BACKGROUND**

Currently, to obtain a Wisconsin Real Estate Broker license an applicant must: complete the Wisconsin salesperson license requirements (72 hours of pre-license education and passing score on the license exam) and the broker license requirements effective January 1, 2012 (72 hours of pre-license education and a passing score on the license exam). A broker is not required to hold a salesperson license for any amount of time prior to application.

### **CONCERN**

With the increasing complexity of today's real estate transaction including foreclosures, short sales, bank-owned properties; hands-on experience is imperative for a real estate broker. Considering an individual could receive a broker's license open up a real estate office, and have agents work for them without ever participating in a real estate transaction raises concerns; e.g.:

- 1) Broker supervision of agents without previous involvement in a real estate transaction;
- 2) Consumer representation by agents without the supervision of an experienced licensee;
- 3) Broker representation of consumers without any experience in a real estate transaction;
- 4) Lack of experienced broker supervision may expose employees and agents to liability;
- 5) Incompetent consumer representation exposing the consumer to litigation.

### **PROPOSAL**

Require a Wisconsin broker applicant to show documented transactional experience as an active real estate salesperson for 2 years within the last 4 years preceding application. This change will protect the broker, the employees of the company and, most importantly, the public.

The experience requirement will require a change to Wisconsin Statute § 452.09. The Real Estate Examining Board (REEB) will be responsible for creating the parameters for proving the transactional experience and any administrative code changes required by the modification.

Under this proposal, any Wisconsin broker license applicant, including those in the affiliated businesses (e.g. CPAs, mortgage loan officers, title, appraisal), will be able to make a request to the REEB to waive the transactional experience or to consider related experience. In addition, applicants licensed to practice law in Wisconsin will be able to achieve transactional experience by providing evidence for real estate-related work. The two-year experience requirement shall be waived for broker applicants that have held a broker license in another state for more than two years and those applicants may apply up to a specified amount (REEB established) of completed transactions from their state for the transactional requirements.

### **Recommended modifications to Wisconsin Statute § 452.09**

#### **452.09 (3) (d) of the statute is amended to read:**

Except as provided in a reciprocal agreement under s. 452.05 (3), the board may not grant a broker's license to an applicant who does not meet the requirements under s. 452.09. ~~hold a salesperson's license unless the applicant passes the salesperson's examination and the broker's examination.~~

#### **452.09 (4) of the statute is created to read:**

**(4) EXPERIENCE REQUIREMENTS FOR APPLICANTS FOR BROKER'S LICENSE.** Each applicant for an original broker's license shall submit to the board proof of at least two years of experience as an active salesperson under the direct supervision of a licensed broker within the last four years preceding the date of application. This requirement may not be satisfied by completion of an apprenticeship under sub. (5). The board may promulgate rules defining the type and scope of experience required under this paragraph.

- (a) Each applicant licensed to practice law in this state may submit either real estate related experience or experience as a salesperson to the board to satisfy the requirements of this paragraph.



## **MODIFICATION TO WISCONSIN REAL ESTATE BROKER LICENSE REQUIREMENTS**

(b) Except as provided in a reciprocal agreement under s. 452.05 (3), the board may waive the two year requirement for out of state applicants upon proof that the applicant has been a licensed real estate broker for at least two years within the last four years preceding the date of application.

(c) The board may waive the experience requirement under this paragraph upon written request and proof by the applicant.

Proposed effective date July 1, 2012.



**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

and granting rule-making  
authority

1 *for* **AN ACT...; relating to:** experience requirements for real estate brokers.

---

***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

2 **SECTION 1.** 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,  
3 is amended to read:

4 452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal  
5 agreement under s. 452.05 (3), the board may not grant a broker's license to an  
6 applicant who does not meet the requirements under this section ~~hold a salesperson's~~  
7 ~~license unless the applicant passes the salesperson's examination and the broker's~~  
8 ~~examination.~~

History: 1981 c. 94, 391; 1983 a. 273; 1985 a. 305; 1989 a. 341; 1995 a. 400; 1997 a. 27; 2003 a. 168; 2009 a. 110; 2011 a. 32.

9 **SECTION 2.** 452.09 (4) of the statutes is created to read:

1           452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An  
2 applicant for a broker's license who is an individual shall submit to the board  
3 evidence satisfactory to the board that the applicant has practiced as a salesperson  
4 under the direct supervision of a licensed broker for at least 2 years within the 4 years  
5 preceding the date of the applicant's application for a broker's license, excluding any  
6 time the applicant spent in an apprenticeship under sub. (5).

      \*\*\*\*NOTE: Is it your intent that the two years be consecutive?

7           (b) An applicant who is licensed to practice law in this state may satisfy the  
8 requirement under par. (a) by submitting to the board evidence satisfactory to the  
9 board that the applicant has practiced real estate law for at least 2 years within the  
10 4 years preceding the date of the applicant's application for a broker's license.

11          (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an  
12 applicant for a broker's license who is a nonresident may satisfy the requirement  
13 under par. (a) by submitting to the board evidence satisfactory to the board that the  
14 applicant has practiced as a broker under the laws of another state for at least 2 years  
15 within the 4 years preceding the date of the applicant's application for a broker's  
16 license.

17          (d) The board may waive the requirement under par. (a) for any applicant based  
18 on standards established by the board by rule.

19           **SECTION 3. Initial applicability.**

20          (1) This act first applies to an application for a real estate broker's license  
21 submitted to the ~~Real Estate Examining Board~~ on the effective date of this  
22 subsection.

23                           (END)



State of Wisconsin  
2011 - 2012 LEGISLATURE



LRB-3582/P1  
MPG:med:rs

**PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION**

1     **AN ACT** *to amend* 452.09 (3) (d); and *to create* 452.09 (4) of the statutes;  
2             **relating to:** experience requirements for real estate brokers and granting  
3             rule-making authority.

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***Analysis by the Legislative Reference Bureau***

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

4             **SECTION 1.** 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,  
5             is amended to read:  
6             452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal  
7             agreement under s. 452.05 (3), the board may not grant a broker's license to an  
8             applicant who does not meet the requirements under this section hold a salesperson's  
9             license unless the applicant passes the salesperson's examination and the broker's  
10            examination.

1       **SECTION 2.** 452.09 (4) of the statutes is created to read:

2       **452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS.** (a) An  
3       applicant for a broker's license who is an individual shall submit to the board  
4       evidence satisfactory to the board that the applicant has practiced as a salesperson  
5       under the direct supervision of a licensed broker for at least 2 years within the 4 years  
6       preceding the date of the applicant's application for a broker's license, excluding any  
7       time the applicant spent in an apprenticeship under sub. (5).

      \*\*\*\*NOTE: Is it your intent that the two years be consecutive?

8       (b) An applicant who is licensed to practice law in this state may satisfy the  
9       requirement under par. (a) by submitting to the board evidence satisfactory to the  
10      board that the applicant has practiced real estate law for at least 2 years within the  
11      4 years preceding the date of the applicant's application for a broker's license.

12      (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an  
13      applicant for a broker's license who is a nonresident may satisfy the requirement  
14      under par. (a) by submitting to the board evidence satisfactory to the board that the  
15      applicant has practiced as a broker under the laws of another state for at least 2 years  
16      within the 4 years preceding the date of the applicant's application for a broker's  
17      license.

18      (d) The board may waive the requirement under par. (a) for any applicant based  
19      on standards established by the board by rule.

20       **SECTION 3. Initial applicability.**

21      (1) This act first applies to an application for a real estate broker's license  
22      submitted to the real estate examining board on the effective date of this subsection.

23                   **(END)**



Today 2/1 Trans S  
State of Wisconsin  
2011 - 2012 LEGISLATURE



3582/1

LRB-3199/1

MPG:med:rs

Ts frg

## 2011 BILL

coming  
from  
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LRB#

SA~

Regen

- 1 AN ACT *to amend* 452.09 (3) (d); and *to create* 452.09 (4) of the statutes;
- 2 **relating to:** experience requirements for real estate brokers and granting
- 3 rule-making authority.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the Real Estate Examining Board (board) issues licenses for real estate brokers and real estate salespersons. Generally, the board may not grant a broker's license to an applicant who does not already hold a salesperson's license or who has not passed the examination for licensure as a salesperson in addition to passing the broker's examination.

This bill eliminates the requirement that an applicant for a broker's license must either have a salesperson's license or pass the examination for licensure as a salesperson. Instead, the bill establishes a requirement that an applicant for a broker's license must submit evidence satisfactory to the board that the applicant has practiced as a salesperson under the direct supervision of a licensed broker for at least two years within the last four years preceding the date of the applicant's application for the broker's license. Any time spent as an apprentice may not be applied to satisfy that requirement. If the applicant is an attorney licensed to practice law in Wisconsin, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has real estate-related experience. If the applicant is a nonresident, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has been

**BILL**

licensed as a real estate broker under the laws of another state for at least two of the last four years preceding the person's application for a broker's license in Wisconsin.

---

***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,  
2 is amended to read:

3           452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal  
4 agreement under s. 452.05 (3), the board may not grant a broker's license to an  
5 applicant who does not ~~hold a salesperson's license unless the applicant passes the~~  
6 ~~salesperson's examination and the broker's examination~~ meet the requirements  
7 under this section.

8           **SECTION 2.** 452.09 (4) of the statutes is created to read:

9           452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An  
10 applicant for a broker's license who is an individual shall submit to the board  
11 evidence satisfactory to the board that the applicant has practiced as a salesperson  
12 under the direct supervision of a licensed broker for at least 2 years within the last  
13 4 years preceding the date of the applicant's application for a broker's license,  
14 excluding any time the applicant spent in an apprenticeship under sub. (5).

15           (b) An applicant who is licensed to practice law in this state may satisfy the  
16 requirement under par. (a) by submitting to the board evidence satisfactory to the  
17 board that the applicant has experience related to real estate.

18           (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an  
19 applicant for a broker's license who is a nonresident may satisfy the requirement  
20 under par. (a) by submitting to the board evidence satisfactory to the board that the  
21 applicant has been a licensed broker under the laws of another state for at least 2

**BILL**

① years within the 4 years preceding the date of the applicant's application for a  
2 broker's license.

3 (d) The board may waive any requirement under par. (a), (b), or (c) for any  
4 applicant based on standards established by the board by rule, and the board may  
5 promulgate other rules, including rules that establish standards concerning an  
6 applicant's practice or experience related to real estate.

**SECTION 3. Initial applicability.**

8 (1) This act first applies to an application for a real estate broker's license  
9 submitted to the real estate examining board on the effective date of this subsection.

**SECTION 4. Effective date.**

11 (1) This act takes effect on July 1, 2012.

12 (END)

**Gallagher, Michael**

---

**From:** Lundgren, Doug  
**Sent:** Tuesday, January 31, 2012 12:09 PM  
**To:** Gallagher, Michael  
**Subject:** RE: Broker Expirence bill fixes

Hi Mike,

Sorry, I'm very confused. Please do the companion.

Thanks,  
deej

**DJ Lundgren**

*Office of Representative Roger Rivard*  
75<sup>th</sup> State Assembly District  
Phone: 608.266.2519  
Fax: 608.282.3675  
E-mail: [dlundgre@legis.wi.gov](mailto:dlundgre@legis.wi.gov)

---

**From:** Gallagher, Michael  
**Sent:** Tuesday, January 31, 2012 11:21 AM  
**To:** Lundgren, Doug  
**Subject:** RE: Broker Expirence bill fixes

DJ:

If you look at the attachment they sent you, you'll note that the draft (LRB-3199/1) is a /1 that includes revisions from the preliminary draft that represents your current draft. You may want to contact Schulz's office to discuss those changes. The two additional changes below are only fixes a couple of inadvertent typos in the /1 draft.

To be clear, I have not yet done a companion for you based on LRB-3199/1 because I had no request for that. Please let me know if you want me to do the companion.

Thanks.

Mike

**Michael P. Gallagher**  
Legislative Attorney  
Legislative Reference Bureau  
(608) 267-7511  
[michael.gallagher@legis.wisconsin.gov](mailto:michael.gallagher@legis.wisconsin.gov)

---

**From:** Lundgren, Doug

1/31/2012

**Sent:** Tuesday, January 31, 2012 11:10 AM  
**To:** Gallagher, Michael  
**Subject:** FW: Broker Expirence bill fixes

Hi Mike,

Can you take a look at the fixes from WRA below and let me know what you think?

thanks,  
deej

**DJ Lundgren**

*Office of Representative Roger Rivard*  
75<sup>th</sup> State Assembly District  
Phone: 608.266.2519  
Fax: 608.282.3675  
E-mail: dlundgre@legis.wi.gov

---

**From:** Murray, Joe - Director of Political and Governmental Affairs [mailto:jmurray@wra.org]  
**Sent:** Monday, January 30, 2012 5:06 PM  
**To:** Lundgren, Doug; Rep.Rivard  
**Cc:** Larson,Tom; Cori M. Lamont  
**Subject:** Broker Expirence bill fixes

DJ and Roger:

Here is a bill draft on the broker experience bill and two more suggestions for fixes we sent to Dale Schultz as well.

Joe

Joe,

A couple of quick fixes:

Page 2, Line 21: remove the second a - "applicant has been a licensed a broker under the laws of another state for at least 2"

Page 3, Line 1: insert the word last - "years within the last 4 years preceding the date of the applicant's application for a"

The rest looks fine to me.

Thanks - Cori  
Cori M. Lamont  
Director of Brokerage Regulation and Licensing Wisconsin REALTORS® Association  
4801 Forest Run Road  
Madison, WI 53704  
tel: 608

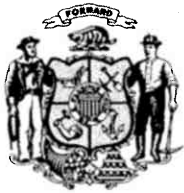
1/31/2012

**Godwin, Gigi**

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**From:** Lundgren, Doug  
**Sent:** Wednesday, February 01, 2012 11:13 AM  
**To:** LRB.Legal  
**Subject:** Draft Review: LRB 11-3582/1 Topic: Training requirements for real estate broker license

Please Jacket LRB 11-3582/1 for the ASSEMBLY.



## 2011 BILL

Jacket is  
on the  
way.

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3 rule-making authority.

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### *Analysis by the Legislative Reference Bureau*

Under current law, the Real Estate Examining Board (board) issues licenses for real estate brokers and real estate salespersons. Generally, the board may not grant a broker's license to an applicant who does not already hold a salesperson's license or who has not passed the examination for licensure as a salesperson in addition to passing the broker's examination.

This bill eliminates the requirement that an applicant for a broker's license must either have a salesperson's license or pass the examination for licensure as a salesperson. Instead, the bill establishes a requirement that an applicant for a broker's license must submit evidence satisfactory to the board that the applicant has practiced as a salesperson under the direct supervision of a licensed broker for at least two years within the last four years preceding the date of the applicant's application for the broker's license. Any time spent as an apprentice may not be applied to satisfy that requirement. If the applicant is an attorney licensed to practice law in Wisconsin, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has real estate-related experience. If the applicant is a nonresident, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has been

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licensed as a real estate broker under the laws of another state for at least two of the last four years preceding the person's application for a broker's license in Wisconsin.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,  
2 is amended to read:

3           452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal  
4 agreement under s. 452.05 (3), the board may not grant a broker's license to an  
5 applicant who does not ~~hold a salesperson's license unless the applicant passes the~~  
6 ~~salesperson's examination and the broker's examination~~ meet the requirements  
7 under this section.

8           **SECTION 2.** 452.09 (4) of the statutes is created to read:

9           452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An  
10 applicant for a broker's license who is an individual shall submit to the board  
11 evidence satisfactory to the board that the applicant has practiced as a salesperson  
12 under the direct supervision of a licensed broker for at least 2 years within the last  
13 4 years preceding the date of the applicant's application for a broker's license,  
14 excluding any time the applicant spent in an apprenticeship under sub. (5).

15           (b) An applicant who is licensed to practice law in this state may satisfy the  
16 requirement under par. (a) by submitting to the board evidence satisfactory to the  
17 board that the applicant has experience related to real estate.

18           (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an  
19 applicant for a broker's license who is a nonresident may satisfy the requirement  
20 under par. (a) by submitting to the board evidence satisfactory to the board that the  
21 applicant has been a licensed broker under the laws of another state for at least 2

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1 years within the last 4 years preceding the date of the applicant's application for a  
2 broker's license.

3 (d) The board may waive any requirement under par. (a), (b), or (c) for any  
4 applicant based on standards established by the board by rule, and the board may  
5 promulgate other rules, including rules that establish standards concerning an  
6 applicant's practice or experience related to real estate.

7 **SECTION 3. Initial applicability.**

8 (1) This act first applies to an application for a real estate broker's license  
9 submitted to the real estate examining board on the effective date of this subsection.

10 **SECTION 4. Effective date.**

11 (1) This act takes effect on July 1, 2012.

12 (END)